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## The Supply and Distribution of Psychiatrists in North Carolina: Pressing Issues in the Context of Mental Health Reform

### Introduction

Nearly one in three non-elderly adults experiences a mental disorder at some point during a one-year period.<sup>1</sup> A recent study of North Carolina pediatricians found that about 15% of children had a behavioral disorder such as attention deficit disorder, anxiety or depression.<sup>2</sup> Despite the high prevalence of mental illnesses in the general population, most individuals with a serious mental disorder do not receive treatment.<sup>3</sup> Barriers to care include inadequate insurance coverage, poor financial resources for patient co-payments and the perceived stigma of mental illness and its treatment. Another important barrier to care is an inadequate supply or poor distribution of mental health clinicians, especially psychiatrists. While many mental disorders can be treated by primary care providers and non-psychiatrist mental health clinicians, many disorders require consultation and treatment by psychiatrists.

This fact sheet analyzes the supply and distribution of psychiatrists in North Carolina and finds:

- A maldistribution of psychiatrists across North Carolina and the potential for an emerging shortage due to the state's rapid population growth.
- A critical shortage and maldistribution of child psychiatrists.
- Many counties facing a psychiatrist shortage also face a shortage of primary care providers—a situation that may jeopardize access to care for patients with mental disorders.

### Why is it important for North Carolina to take stock of the psychiatry workforce now?

Before 2001, local community mental health programs employed salaried psychiatrists and other mental health clinicians committed to providing care to patients who could not afford or gain access to private psychiatric care. The salaries of mental health clinicians were largely not dependent on patient fees. Mental health reform, begun in 2001, called for these community programs—now called Local Management Entities (LMEs)—whenever possible to divest themselves of direct patient care responsibilities and assume the role of managers of care. The former clinicians of the LMEs were encouraged to form or join local provider groups to receive LME referrals and thereby create more choice for patients. These newly-independent mental health providers are supported by fees generated from patient care. Some have questioned whether this new fee-for-service payment system for publicly insured patients can provide adequate revenue to support the providers, especially psychiatrists. Others have suggested that providers, now at financial risk, may well re-direct their efforts to privately insured patients. This reorganization of the public mental health system raises a number of important questions that are the focus of this brief: Do LMEs have access to an adequate supply of psychiatrists to meet patient needs? Do particular counties, or regions of North Carolina, face a shortage of psychiatrists?

### Psychiatrists

According to national statistics, North Carolina ranks 20<sup>th</sup> in the nation with a ratio of 1.05 psychiatrists per 10,000 population.<sup>4</sup> Relative to its neighbors, North Carolina is worse off than Virginia (1.24 psychiatrists per 10,000 population) but better off than South Carolina (.98 psychiatrists per 10,000 population), Georgia (.92 psychiatrists per 10,000 population) and Tennessee (.83 psychiatrists per 10,000 population).